

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
(CHFFA)**



**NONDESIGNATED PUBLIC HOSPITAL
BRIDGE LOAN PROGRAM II**

SEPTEMBER 22, 2022

Welcome and Introductions

Executive Director

Carolyn Aboubechara

Operations Manager

Rosalind Brewer

Program Manager

Matthew Francis

Loan Officers

Tyler Bui, Chris Healy, Erica Rodriguez

District Hospital Leadership Forum

Sherreta Lane

Nathan Davis

AGENDA FOR TODAY

- OVERVIEW OF CHFFA
- GENERAL INFORMATION
- APPLICATION
- FUNDING ROUNDS
- NEXT STEPS
- QUESTIONS



OVERVIEW OF CHFFA

- Established in 1979
- Originally for the purpose of issuing tax-exempt bonds, now also offer grants and loans
- CHFFA's mission is to help health facilities reduce their cost of capital, and to promote important health access, healthcare improvement and cost containment objectives by providing cost-effective tax-exempt bonds, low-cost loans, and direct grant programs.



OVERVIEW OF CHFFA (CONTINUED)

CHFFA Programs

- Bond Financing
- Tax-Exempt Equipment Financing
- HELP II Loan Program
- Children's Hospital Grant Programs
- Investment in Mental Health Wellness Grant Programs
- Community Services Infrastructure Grant Program
- Nondesignated Public Hospital Bridge Loan Program (& II)

More info on specific programs on our website:

<https://www.treasurer.ca.gov/chffa/>

GENERAL INFORMATION

- OBJECTIVE
- APPLICANT ELIGIBILITY
- LOAN TERMS
- GUARANTEED & MAXIMUM LOAN AMOUNTS



OBJECTIVE

- To offset the delay and assist with the cashflow issues caused by the change from PRIME to QIP, the Legislature authorized CHFFA to provide low-cost working capital loans to eligible nondesignated public hospitals to assist with their operations.
- CHFFA will administer the second allocation of the Loan Program and provide up to a total of \$40,000,000 in General Fund working capital loans to eligible nondesignated public hospitals.



APPLICANT ELIGIBILITY

An Applicant shall be eligible to apply if:

It is a California Nondesignated Public Hospital as defined in the guidelines.

- “Nondesignated Public Hospital” means a public hospital as defined in Welfare and Institutions Code Section 14105.98, subdivision (a)(25) (excluding designated public hospitals)



LOAN TERMS

- 0% interest rate
- Loans must be paid back within 24 months
- Loans to be repaid in one balloon payment at the end of 24 months
- No early payment/prepayment penalty
- Loans will be secured by borrower's Medi-Cal reimbursements (If the loan defaults, twenty percent of the borrower's Medi-Cal checkwrite payments will be intercepted until the program loan amount has been satisfied)



LOAN AMOUNTS

	Nondesigned Public Hospital	Guaranteed Loan Amount	Maximum Loan Amount
1	Antelope Valley Hospital/Antelope Valley Healthcare District	\$2,811,290	\$7,124,257
2	Bear Valley Community Hospital/Bear Valley Community Healthcare District	\$340,890	\$863,859
3	Eastern Plumas Health Care/Eastern Plumas Health Care District	\$326,030	\$826,214
4	El Camino Hospital/El Camino Health Mountain View Campus	\$1,192,420	\$3,021,800
5	El Centro Regional Medical Center/City of El Centro	\$2,296,310	\$5,819,199
6	Hazel Hawkins Memorial Hospital/San Benito Healthcare District	\$1,252,960	\$3,175,208
7	Jerold Phelps Community Hospital/Southern Humboldt Community Healthcare District	\$511,170	\$1,295,380
8	John C. Fremont Healthcare District	\$551,620	\$1,397,883
9	Kaweah Delta Medical Center/Kaweah Health Medical Center	\$3,993,950	\$10,121,293
10	Kern Valley Healthcare District	\$601,680	\$1,524,754
11	Lompoc Valley Medical Center	\$2,062,100	\$5,225,694
12	Mammoth Hospital/Southern Mono Healthcare District	\$1,083,700	\$2,746,265
13	Marin General Hospital/MarinHealth Medical Center	\$1,384,120	\$3,507,576
14	Mayers Memorial Hospital/Mayers Memorial Hospital District	\$331,320	\$839,613
15	Modoc Medical Center/Last Frontier Healthcare District	\$313,400	\$794,217
16	Mountains Community Hospital/San Bernardino Mountains Community Hospital District	\$770,520	\$1,952,625
17	Northern Inyo Hospital/Northern Inyo Healthcare District	\$497,230	\$1,260,050
18	Oak Valley District Hospital/Oak Valley Hospital District	\$2,045,800	\$5,184,373
19	Palo Verde Hospital/Palo Verde Healthcare District	\$300,000	\$760,247
20	Palomar Pomerado Health/Palomar Health/Palomar Medical Center	\$3,478,510	\$8,815,092
21	Pioneers Memorial Hospital/Pioneers Memorial Healthcare District	\$1,527,340	\$3,870,529
22	Plumas District Hospital/Plumas Hospital District	\$300,000	\$760,247

	Nondesigned Public Hospital	Guaranteed Loan Amount	Maximum Loan Amount
23	Salinas Valley Memorial Hospital/Salinas Valley Memorial Healthcare System	\$2,430,350	\$6,158,879
24	San Geronio Memorial Hospital/San Geronio Memorial Healthcare District	\$1,073,490	\$2,720,382
25	Seneca Healthcare District	\$300,000	\$760,247
26	Sierra View District Hospital/Sierra View Local Health Care District	\$1,472,590	\$3,731,787
27	Sonoma Valley Hospital/Sonoma Valley Healthcare District	\$307,450	\$779,133
28	Southern Inyo Hospital/Southern Inyo Healthcare District	\$300,000	\$760,247
29	Surprise Valley Community Hospital/Surprise Valley Health Care District	\$300,000	\$760,247
30	Tahoe Forest Hospital/Tahoe Valley Hospital District	\$994,330	\$2,519,788
31	Tri-City Medical Center/Tri-City Hospital District	\$2,405,440	\$6,095,752
32	Trinity Hospital/Mountain Communities Healthcare District	\$300,000	\$760,247
33	Washington Hospital-Fremont/Washington Township Healthcare District	\$2,143,990	\$5,433,211
	Total	\$40,000,000	\$101,366,295

APPLICATION

- Application Formats
- Contact & Loan Information
- Legal Status Questionnaire
- Religious Questionnaire
- Application Agreement
- Online Application
- Application Submission



APPLICATION FORMATS

- Available on CHFFA's website:
<https://www.treasurer.ca.gov/chffa/programs/ndph.asp>
- Download application, fill it out in PDF format, and email it electronically to chffa@treasurer.ca.gov; OR
- Register through our website to apply online.



CONTACT & LOAN INFORMATION

NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM APPLICATION FORM

Summary Information

APPLICANT INFORMATION:		
Legal Name [REDACTED]		
Street Address [REDACTED]	Federal Tax I.D. Number [REDACTED]	
City, State & Zip [REDACTED]	Contact Person / Title [REDACTED]	
County [REDACTED]	Telephone Number [REDACTED]	Email Address [REDACTED]
LOAN INFORMATION:		
Amount Requested: <i>[See maximum amount per borrower in Section 3 of the Program guidelines]</i> \$ [REDACTED]		
Provide brief explanation of how loan proceeds will be used for working capital (i.e. payroll and utilities): 		

Provide the following as attachments:

Attachment A – Management/Organization Information

- Provide the name and title of the person to be designated by your board to sign loan documents if financing is approved.
- Provide a current copy of the applicable State of California operating license



LEGAL STATUS QUESTIONNAIRE

Legal Status Questionnaire

Applicant Name:

1. Financial Viability

Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response:

2. Fraud, Corruption, or Serious Harm

Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment.

Response:

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates; the nature of the allegation(s), charges, complaint or filing; and the outcome.



RELIGIOUS QUESTIONNAIRE

RELIGIOUS AFFILIATION DUE DILIGENCE

(Only for Applicant with Religious Affiliation)

Note: You may respond directly on this form or attach additional pages as needed.
CHFFA may request additional information regarding the responses to these questions.

QUESTIONS	ANSWER (Yes or No) Please provide explanations as requested
<ul style="list-style-type: none"> Does the facility admit patients or residents of all religions and faiths? 	<input type="checkbox"/> Yes <input type="checkbox"/> No (please explain) <input type="checkbox"/>
<ul style="list-style-type: none"> Are patients/residents ever turned away because of their religious affiliation? 	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> Does the facility grant any preference, priority or special treatment with respect to admission, treatment, payment, etc., based on religion or faith? 	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> Does the facility focus on the needs of, market to, or target, a particular religious population? 	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> Does the facility discourage individuals from seeking admission to the facility on the basis of religion? 	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> Is it the facility's mission to serve patients/residents of a particular religion? 	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> What percentage of the patients/residents admitted and treated at the facility are of the same religious denomination as the facility's religious affiliation? 	<input type="checkbox"/>



APPLICATION AGREEMENT

APPLICATION AGREEMENT

Please have the individual with the authority to commit the applicant to contract complete the following agreement:

1. I agree that to the best of my knowledge, the information contained in this application and the accompanying supplemental materials are true and accurate. I further understand that misrepresentation may result in the cancellation of the loan and that CHFFA is authorized to take additional actions, if needed.
2. I agree that all legal disclosure information requested has been disclosed to the best of my ability.
3. I agree that loan proceeds shall be used solely for working capital to support operations.
4. I agree that the Applicant is a Nondesignated Public Hospital as defined in the Nondesignated Public Hospital Bridge Loan Program II Guidelines approved by CHFFA.
5. In the event the Applicant does not pay off its loan within 24 months of the loan agreement, I hereby agree to assign all of the Applicant's rights to 20% of the Medi-Cal checkwrite payments to CHFFA until the loan amount has been satisfied.
6. I acknowledge the Authority Loan Fee is 1% of the loan amount is due at closing and will be deducted from loan proceeds.

By (Print Name)

Title

Signature

Date



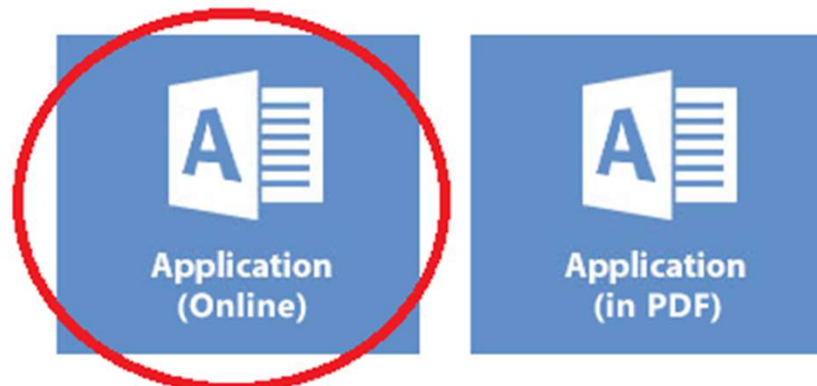
ONLINE APPLICATION

- Click the application link located on the Nondesignated Public Hospital Bridge Loan Program webpage:
 - <https://www.treasurer.ca.gov/chffa/programs/ndph.asp>

Nondesignated Public Hospital Bridge Loan Program II

On June 27, 2022, the Nondesignated Public Hospital Bridge Loan Program II (NDPH II) was chaptered into law through the annual Budget Act of 2022 (Section 2.00, Chapter 43, Statutes of 2022) authorizing the Authority to provide loans using an appropriation of \$40 million in General Fund moneys. NDPH II provides zero interest rate low-cost loans to eligible nondesignated public hospitals (as defined in paragraph (25) of subdivision (a) of Section 14105.98 of the Welfare and Institutions Code, excluding designated public hospitals) that are affected by financial delays associated with the transition from the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Program to the Quality Incentive Program (QIP). These loans are required to be paid back in two years. The loans issued by CHFFA are secured by a borrower's Medi-Cal reimbursements.

The Application, including supporting documentation, shall be received by the Authority no later than 5:00 p.m. (Pacific Time) on Friday, October 14, 2022, and may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov or submitted online via the online application button found below. The Authority is not responsible for transmittal delays or failures of any kind.





ONLINE APPLICATION (CONTINUED)

- Online accounts are free and simple to create. Sign up using your email address, first and last name, and a password.
- Please complete the registration, fill out the form, and submit for review.
- We recommend using the following browsers to access and complete the online Application: Chrome, Firefox or Safari
- Incomplete and late applications will not be accepted for review



ONLINE APPLICATION (CONTINUED)

When the application is completed, submit the application by selecting “Submit” at the bottom of the application.



If your submission is not accepted, go back and check to ensure that you have answered all of the required questions.

You will receive a confirmation email letting you know that the application was submitted successfully.



APPLICATION SUBMISSION

- The Application, including supporting documentation, must be received by CHFFA no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a PDF attachment to chffa@treasurer.ca.gov or submitted online through the CHFFA's website.
- CHFFA is not responsible for transmittal delays or electronic failures of any kind.

FUNDING ROUNDS

- **First Funding Round**
- **Second Funding Round**



FIRST FUNDING ROUND

- The deadline for the first funding round is October 14, 2022.
- For the first funding round, the guaranteed and maximum loan amounts for each Nondesignated Public Hospital are listed in Section 3 of the Loan Program guidelines.
- An Applicant may request a loan up to the amount specified in the column titled Maximum Loan Amount. The Applicant shall only be initially entitled to receive up to the Guaranteed Loan Amount in the first Funding Round.



FIRST FUNDING ROUND (cont.)

- If the cumulative sum of the Guaranteed Loan Amounts or any lesser amounts requested from all Applicants that applied in the first Funding Round is less than the \$40,000,000 available for Program funding, Authority staff will calculate how much in moneys remain to distribute to first Funding Round Applicants that applied for more than their Guaranteed Loan Amount using the following calculation:



FIRST FUNDING ROUND (cont.)

- Authority staff will total the first Funding Round amounts requested from Applicants that applied for more than their Guaranteed Loan Amounts. The proportionate share percentage for each Applicant will be calculated by dividing the individual Guaranteed Loan Amount by the total of all Guaranteed Loan Amounts from those Applicants in the first Funding Round that applied for more than their Guaranteed Loan Amount.
- The proportionate share percentage is multiplied by the amount of loan proceeds remaining in the Program to determine the additional funding each Applicant may receive in the first Funding Round.



FIRST FUNDING ROUND (cont.)

- An Applicant can't receive more than their Maximum Loan Amount during the first Funding Round



SECOND FUNDING ROUND

- If there is a second Funding Round, the deadline for submitting an application for a second funding round shall be *March 31, 2023*.
- Remaining funds will be awarded without regard to previous Maximum Loan Amounts and distributed based on the same proportionate share methodology as described in the previous slides.
- A second Funding Round Applicant's full Guaranteed Amount will also be considered for the proportionate share percentage calculation and not the actual amount received during the first Funding Round.

NEXT STEPS

- Applications are due on the dates listed:
 - First funding round due on October 14, 2022
 - Borrower must meet loan closing requirements by February 15, 2023
 - Second funding round due on March 31, 2023, if applicable
 - Borrower must meet loan closing requirements by June 30, 2023
- Applications will be reviewed and evaluated by CHFFA staff
- CHFFA Executive Director will approve loans
- Borrower's Resolution & Fi\$Cal Form
- Execution of loan and security agreement and promissory note
- Disbursement of funds

Questions?





CONTACT INFORMATION

Address	915 Capitol Mall, Room 435 Sacramento, CA 95814
Phone	(916) 653-2799
Email	<u>CHFFA@TREASURER.CA.GOV</u>